

Corporate Governance Report

Ovzon AB is listed on Nasdaq Stockholm Mid Cap. Ovzon complies with statements from the Swedish Securities Council regarding best practice in the Swedish securities market, and applies the Swedish Corporate Governance Code (“the Code”). The Board of Directors is of the opinion that in all respects, Ovzon complied with the Code in 2022 and therefore has no deviations to report or explain. This Corporate Governance Report does not form part of the formal Annual Report, but is a separate report that has been reviewed by the company’s auditor.

GENERAL MEETINGS

Pursuant to the Companies Act, the general meeting of shareholders is the company’s supreme decision-making body and shareholders exercise their voting rights at such meetings. The Annual General Meeting (AGM) must be held within six months of the end of each preceding financial year to consider such matters as statutory accounts and reports, disposition of profit or loss and discharging the Board members from liability. Ovzon’s Articles of Association stipulate that the notice to attend the AGM shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) and be made available on Ovzon’s website. Announcement of the notice to attend shall be published in the Swedish daily newspaper Svenska Dagbladet. The notice to attend the AGM shall be published no earlier than six weeks and no later than four weeks prior to the meeting.

Extraordinary General Meetings are held when the Board of Directors considers such meetings appropriate, or when either the auditor or shareholders representing at least 10 percent of all shares outstanding request such a meeting in writing for a specific purpose.

2022 AGM

- Re-election of Board members Anders Björkman, Nicklas Paulson, Magnus René, Patrik Tigerschiöld, Dan Jangblad and Cecilia Driving. Magnus René was also re-elected as Chairman of the Board.
- Grant Thornton Sweden AB was reappointed auditor for the company. Grant Thornton Sweden AB announced that Carl-Johan Regell would remain auditor in charge.
- The Meeting resolved to adopt guidelines for remuneration to senior executives in accordance with the Board’s proposal. The guidelines remained essentially unchanged from previous years.

Major shareholders

Ovzon’s three largest shareholders are:

Shareholder	Number of shares	Percentage, %
1. Öresund	6,089,828	11.9
2. Bure Equity	5,861,034	11.4
3. Futur Pension	4,934,166	9.6

Nomination Committee

The purpose of the Nomination Committee is to submit proposals regarding the chairman at general meetings, candidates for Board members including the position of Chairman of the Board, fees and other remuneration to each member of the Board of Directors, and remuneration for committee work as well as the election of and remuneration to the external auditor.

For the period up until a new Nomination Committee is appointed, the Nomination Committee comprises Andreas Hofmann, nominated by Investment AB Öresund; Sophie Hagströmer, nominated by Bure Equity; Thomas Ehlin, nominated by the Fourth Swedish National Pension Fund; and Magnus René, Chairman of the Board of Ovzon.

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No remuneration is paid to the members of the Nomination Committee. The Nomination Committee is entitled to request remuneration from the company for reasonable expenses that are necessary for the Nomination Committee to fulfill its assignment. The mandate period of the Nomination Committee extends until such time as a new Nomination Committee is announced. In conjunction with the work of the Nomination Committee and for its own improvement efforts, the Board of Directors conducts a self-evaluation of its work and efficiency on an annual basis. The results are reported to the Nomination Committee.

Board of Directors

Composition of the Board

According to the company's Articles of Association, the Board of Directors shall consist of no less than three ordinary members and no more than ten ordinary members. Six members were elected at the 2022 Annual General Meeting: Anders Björkman, Nicklas Paulson, Patrik Tigerschiöld, Magnus René, Cecilia Driving and Dan Jangblad. Magnus René was elected Chairman of the Board. The CEO is not a member of the Board but is always in attendance at Board meetings (refer to pages 55–58 in this Annual Report for more information on the Board of Directors and CEO). The company's CFO serves as the secretary to the Board.

Board observer

On July 3, 2019, the company secured a credit facility of USD 60 million from Proventus Capital Partners (PCP). The loan was granted on the condition that PCP be given the right to appoint an observer who is co-opted onto the Board (without voting rights). The observer will be provided with financially significant information, regardless of whether or not it comprises insider information and could have an impact on the assessment of the credit risk for the loan. Additionally, the observer will be provided with all other information that does not comprise insider information, and has been sent to the Board members prior to Board meetings and presented at the meetings. PCP has requested to be permitted to study this information in order to materially facilitate PCP's continual assessment of how the company's financial risk is developing, ultimately for the purpose of being able to more efficiently contribute to solving the company's upcoming financial challenges.

The company ensures through procedures and agreements that, to the extent the observer receives insider information, it will remain confidential and will be handled in a structural manner. The company is of the opinion that the structure is in compliance with Article 17 of the Market Abuse Regulation (MAR). Additionally, the company also deems the participation of the observer not to be in violation of the Companies Act.

Board activities

The Board of Directors bears ultimate responsibility for governing the company's operations between Annual General Meetings. The Board decides on issues pertaining to the company's strategic approach, financing, major investments, acquisitions, divestments, organizational issues, incentive principles and key policies. The Board's work is regulated, for example, by the Swedish Companies Act (ABL), the Articles of Association, the rules of procedure that the Board has established for its work and the Board's instructions to the CEO. The Board's Articles of Association clarify the responsibilities of the individual members, especially the Chairman, as well as the allocation of responsibilities between the Board and CEO and the authority of the latter.

These are further clarified in the instructions to the CEO. The rules of procedure also indicate, at a general level, the topics that the Board of Directors will normally address during the work year and the allocation of time for the work.

In 2022, the Board of Directors reviewed its rules of procedure, the instructions to the CEO and the reporting instructions, and evaluated the work of the CEO.

The Board has appointed a Remuneration Committee that during the year comprised Anders Björkman (chairman) and Dan Jangblad. The company has an Audit Committee consisting of Cecilia Driving (chairman), Nicklas Paulson and Patrik Tigerschiöld. The Board held 13 minuted meetings in 2022.

The Remuneration Committee prepares items and/or material for decisions concerning the following remuneration issues:

- Providing the Board with proposals for remuneration guidelines and other conditions of employment for the CEO and other senior executives (in accordance with the regulations of the Companies Act) at the first scheduled Board meeting of the financial year. This includes policies regarding salaries, remuneration and other conditions of employment for Ovzon's management. Examples of these are policies for short- and long-term bonus and incentive plans, pension policies, policies for basic salaries, and other conditions of employment.
- Proposals regarding individual salaries and other remuneration to the CEO.
- In accordance with proposals from the CEO, decisions on individual salaries and other remuneration to directors who report directly to the CEO.

Board of Directors

Name	Position	Elected	Independent in relation to the company and Group Management	Independent in relation to the company's major shareholders	Attendance at Board meetings	Attendance at committee meetings
Magnus René	Chairman	2018	No	Yes	13/13	–
Anders Björkman	Board member	2019	Yes	Yes	13/13	4/4
Patrik Tigerschiöld	Board member	2018	Yes	No	10/13	2/6
Nicklas Paulson	Board member	2018	Yes	No	13/13	6/6
Cecilia Driving	Board member	2020	Yes	Yes	11/13	6/6
Dan Jangblad	Board member	2020	Yes	Yes	13/13	4/4

The tasks of the Audit Committee

The Audit Committee monitors the company's financial reporting. The Committee is tasked with reviewing the procedures for the company's risk management and control, as well as financial reporting.

Through continual contact with the company's auditors and treasury function, the Committee ensures that internal and external audits fulfill the necessary requirements and that relevant policies and governance documents exist, and discusses the scope and focus of audit activities.

The Audit Committee annually reviews the auditors' proposal for an audit plan and defines shared issues that the audit will focus on. The Committee evaluates audit measures and approves additional services that the company purchases from the external auditors. The Committee also helps the Nomination Committee in preparing proposals for auditors and the fees for the work.

The chairman of the Audit Committee is responsible for routinely informing the Board of Directors about the activities of the Committee and will hand matters over to the Board for decision as needed.

The Committee's opportunities for in-depth discussions with the auditors do not replace the meetings between the auditors and the full Board of Directors. Such meetings must take place at least once a year, normally in conjunction with publication of the Annual Report.

CEO and Group Management

The CEO is responsible for the routine management of the company's affairs and the daily operations. The division of work between the Board of Directors and CEO is set forth in the company's rules of procedure for the Board of Directors and the instructions to the CEO. The CEO keeps the Board continually informed of the company's operations, results of operations and financial position through monthly reports and other measures. The CEO is responsible for preparing reports and compiling information for Board meetings and for presenting these materials at the Board meetings.

Per Norén has been President and CEO since May 1, 2021 and the management group at December 31, 2022 comprised CFO Noora Jayasekara, COO Tom Hopkins, CCO Dan Gager, EVP Business Development Per Wahlberg, VP Satellite Operations Pål Ekberg, CTO Kennet Lejnell and VP Key Accounts Jim Gerow.

Remuneration and terms of employment

Board of Directors

The amount of remuneration granted to the Board of Directors, including the Chairman, is determined by resolution at the AGM. At the AGM on April 21, 2022, it was resolved that fees of SEK 200,000 would be paid to Board members not employed by the company and that a fee of SEK 400,000 would be paid to the Chairman. Additionally, remuneration of SEK 80,000 would be paid to the chair, and SEK 35,000 to other members of the Audit Committee, and SEK 25,000 to the chair, and SEK 20,000 to the other members of the Remuneration Committee.

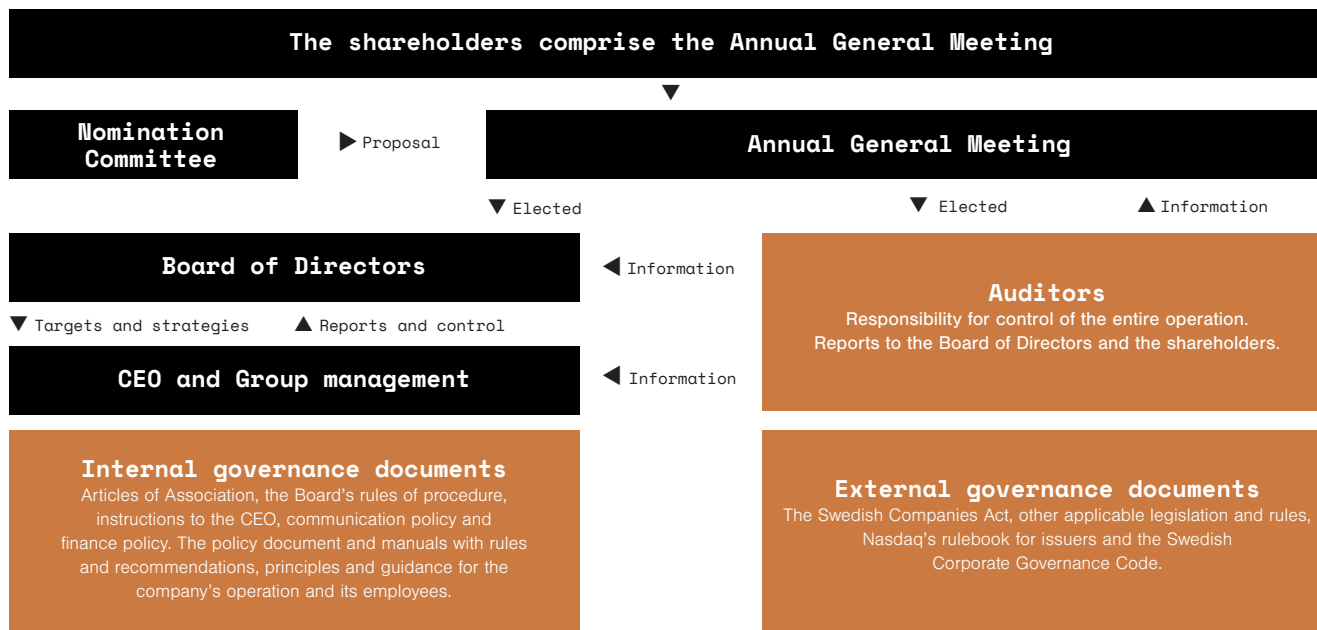
The members of the Board of Directors are not entitled to any benefits upon ceasing to serve as members of the Board of Directors. Remuneration to the members of the Board of Directors for the 2022 financial year amounted to a total of SEK 1,595,000.

CEO and Group Management

Ovzon will offer market-based total compensation that permits recruitment and retention of senior executives. Compensation will comprise fixed salary, earnings-based remuneration, share shavings programs, pensions and other remuneration. Altogether, these portions composed the total compensation to an individual.

The fixed salary will take into account the individual's areas of responsibility and experience, and will be reviewed annually. The performance-based remuneration will depend on the individual's fulfillment of qualitative and quantitative targets. For senior executives, the variable portion can constitute up to 50 percent of the fixed salary.

The Board of Directors decides on the remuneration policy for the CEO and Group Management. As of the date of publication of this Annual Report, the applicable policy is designed in accordance with



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the guidelines for remuneration of the CEO and Group Management, as adopted by the Annual General Meeting. Individual remuneration to the CEO is proposed by the Remuneration Committee and approved by the Board of Directors, whereas individual remuneration to other members of Group Management is proposed by the CEO and approved by the Remuneration Committee.

During the financial year, CEO Per Norén drew a salary of TUSD 438 (280). Variable remuneration to the company's CEO for 2022 totals TUSD 28 (7).

Auditing

The company's statutory auditor is appointed at the Annual General Meeting. During the year, the Board receives presentations from the company's auditors, who have reviewed whether the company's internal control and external reporting meet the requirements placed on a listed company. Carl-Johan Regell from Grant Thornton Sweden AB was appointed as auditor for 2022. For the 2022 financial year, the total remuneration to the company's auditor amounted to TSEK 1,478.

Internal control and risk management

The Board of Directors is responsible for internal control. Internal control and risk management regarding financial reporting is a process designed by the Audit Committee and the Board of Directors for the purpose of providing the Board, management and others concerned in the organization with reasonable assurance concerning reliability in the external financial reporting, and whether the financial reports have been prepared in accordance with accepted business practice and applicable laws and ordinances as well as other requirements for listed companies.

Control environment

The basis for the internal control environment is the allocation of authority and responsibility among the Board of Directors, its committees, the CEO and the rest of company management. Within the company, the most substantial components of the control environment are documented in the Board's rules of procedure and the instructions to the CEO as well as policies and other governing documents.

Control activities

Suitable control activities are a prerequisite for managing substantial risks in internal control. To safeguard this internal control, the Company has both automated system-based controls and manual controls, for example, in the form of check-offs and inventories. Financial analyses of the company's earnings and monitoring of plans and forecasts supplement the controls, providing an overall confirmation of the quality of the reporting.

Internal audit

Ovzon has established a governance and internal control system, compliance with which is monitored regularly at different levels in the company. In light of this, the Board of Directors is of the opinion that there is currently no need to inaugurate a special audit function. This assessment is reviewed annually by the Board.

Information and communication

The company's governing documentation in the form of policies, guidelines and manuals in terms of internal and external communication is kept updated and is communicated internally through the relevant channels, such as internal meetings and internal news mails. The company's communication policy, containing the guidelines for how information is to be disclosed, applies to communication with external parties. The purpose of this policy is to ensure that the company meets its disclosure obligations correctly and completely in accordance with applicable legislation and rules. Ovzon submitted the interim reports for 2022 to Finansinspektionen on time but not to the Swedish Companies Registration Office in accordance with reporting requirements; the reports were submitted in December.

Solna, March 30, 2023

Board of Directors of Ovzon AB

Revisorsyttrande om bolagsstyrningsrapporten

Till årsstämman i Ovzon AB (publ), org.nr 559079-2650

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för bolagsstyrningsrapporten för år 2022 på sidorna 49-52 och för att den är upprättad i enlighet med årsredovisningslagen.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 16 Revisorns granskning av bolagsstyrningsrapporten. Detta innebär att vår granskning av bolagsstyrningsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för våra uttalanden.

Uttalande

En bolagsstyrningsrapport har upprättats. Upplýsningar i enlighet med 6 kap. 6 § andra stycket punkterna 2–6 årsredovisningslagen samt 7 kap. 31 § andra stycket samma lag är förenliga med årsredovisningen och koncernredovisningen samt är i överensstämmelse med årsredovisningslagen.

Stockholm den 30 mars 2023

Grant Thornton Sweden AB

Carl-Johan Regell
Auktoriserad revisor

Board of Directors, Auditor and Group Management



Board of Directors



Magnus René

Chairman of the Board (since 2021),
Board member (since 2018).

Born 1962

Nationality: Swedish.

Education: Electrical Engineering,
Chalmers Institute of Technology.

Current engagements: Chairman of the
Board of Elos Medtech AB and Advanced
Manufacturing Technologies Ltd, Board
member of Inkbit Corporation and Bomill
AB. Member of the Royal Swedish Academy
of Engineering (IVA).

Previous engagements/Experience: CEO
Ovzon AB 2019–2021; CEO Arcam AB
2001–2018. CEO and business area
president Hogia Teknik 1999–2000. VP
Customer Service Mycronic, 1990–1999.

Not independent in relation to the company
and Group Management. Independent in
relation to the company's major share-
holders.

Magnus René holds 87,272 shares and
200,000 call options in the company. In
addition, Magnus holds 100,000 warrants in
the 2020/2023 option program.



Anders Björkman

Board member (since 2019)

Born 1959

Nationality: Swedish.

Education: M.Sc., Chalmers Institute
of Technology, Gothenburg.

Current engagements: Chairman of the Board
of Vinnergi AB, Maven Wireless AB, Elon-
road AB, Kebni AB and Proptivity AB. Board
member of Allgon AB and Eastern Light AB.

Previous engagements/Experience: Anders
has a background in the telecommuni-
cations industry, where he was a driving
force in the formation of what is now
the Swedish telecom operator Tele2. He
worked for Ericsson AB, was the CEO for
Joint Ventures between OnePhone Holding
with KPN and British Telecom and CEO
of Argnor Wireless Ventures as well as a
partner in Brainheart Capital. Chairman of
the Board of Ovzon, 2019–2021.

Independent in relation to the company and
Group Management. Independent in relation
to the company's principal owners.

Anders Björkman owns 4,363 shares in the
company.



Patrik Tigerschiöld

Board member (since 2018)

Born 1964

Nationality: Swedish.

Education: M.Sc. in Business and
Economics, Stockholm University.

Current engagements: Chairman of the
Board of Bure Equity AB, Mycronic AB,
Cavotec S/A, ACQ Bure AB, and SNS.
Board member of Fondita AB. Member of
the Royal Swedish Academy of Engineering
Sciences (IVA).

Previous engagements/Experience: CEO
of Bure Equity AB 2010–2013; CEO of
Skanditek Industriförvaltning 1999–2010;
CEO of SEB Allemansfonder AB 1995–1999.

Independent in relation to the company and
Group Management. Not independent in
relation to the company's principal owners.

Patrik Tigerschiöld holds 218,181 shares in
the company.



Nicklas Paulson

Board member (since 2018)

Born 1970

Nationality: Swedish.

Education: M.Sc. in Business and
Economics, Stockholm University.

Current engagements: CEO of Investment
AB Öresund. Board member of Billia AB.

Previous engagements/Experience: Invest-
ment Banking at Carnegie Investment Bank
AB (publ) and Alfred Berg ABN AMRO.

Independent in relation to the company and
Group Management. Not independent in
relation to the company's principal owners.

Nicklas Paulson (including related parties)
holds 10,907 shares in the company.

Board of Directors, cont.



Cecilia Driving

Board member (since 2020)

Born 1971

Nationality: Swedish.

Education: LL.M. and a B. Sc. in Business Administration from Stockholm University.

Current engagements: Group CFO, Mabtech AB. Board member of Embracer Group AB.

Previous engagements/Experience: Deputy CEO and CFO, Biovica International AB, and several positions as CFO in life science, private equity, research and telecom companies.

Independent in relation to the company and Group Management. Independent in relation to the company's principal owners.

Cecilia Driving holds 1,000 shares in the company.



Dan Jangblad

Board member (since 2020)

Born 1958

Nationality: Swedish.

Education: M.Sc. in Mechanical Engineering, Linköping University.

Current engagements: Owner and CEO of Emmern Konsult AB, including commission as Senior Adviser to CEO of Saab AB. Board member of Combitech AB; Chairman of the Board of Visual Sweden Vinnäx Innovation Program (Vinnova) and Vice Chairman of the Board of Linköping University.

Previous engagements/Experience: Head of business areas and CSO for Saab AB, CEO of Swedish Space Corporation SSC. Responsible for Saab's venture capital portfolio and Chairman of the Board of Combitech AB. Chairman of the Board of Defense Innovation Sweden (SOFF) and Board member of Swedish ICT and LIU Holding AB.

Independent in relation to the company and Group Management. Independent in relation to the company's principal owners.

Dan Jangblad holds 650 shares in the company.

Huvudansvarig revisor

Carl-Johan Regell

Född 1963

Auktoriserad revisor.

Grant Thornton Sweden AB

Group Management



Per Norén

CEO (since 2021)

Born 1965

Nationality: Swedish and US.

Education: Economics, Gothenburg School of Economics. Swedish Infantry Officers' College. Executive Education, Harvard Business School.

Current engagements: Board member of the National Nordic Museum in Seattle, Washington.

Previous engagements/Experience: President of Anuvu, 2017–2021. Vice President of the Boeing Company, 2007–2017. President and CEO Carmen Systems AB 1998–2007.

Per Norén owns 20,000 shares in the company. In addition, Per holds 100,000 warrants in the 2021/2024 option program as well as 50,000 warrants in the 2022/2025 warrants program.

Own holdings of shares updated as of December 31, 2022.



Per Wahlberg

Deputy CEO

Born 1966

Nationality: Swedish.

Education: History of Science and Ideas, Umeå University; radio link technician, Swedish Air Force tele-technical school; and tele-technical program in upper secondary school.

Current engagements: Deputy CEO responsible for innovation and business development in the company, deputy CEO and Board member for Ovzon Sweden AB, founder and Board member of Ethern AB.

Previous engagements/Experience: Satellite operator Tele-X and project manager at Swedish Space Corporation; co-founder of Swe-Dish Satellite Systems AB.

Per Wahlberg (including related parties) holds 676,046 shares in the company. In addition, Per holds 50,000 warrants in the 2020/2023 warrants program, 50,000 warrants in the 2021/2024 option program, and 25,000 warrants in the 2022/2025 warrants program.



Kennet Lejnell

CTO

Born 1968

Nationality: Swedish.

Education: Ph.D. in Theoretical Physics, Stockholm University and Princeton University.

Current engagements: CTO of the company and Board member of Equi Performance Sweden AB and Bahnhof AB.

Previous engagements/Experience: CTO and CSO at Swe-Dish Satellite Systems. Kennet Lejnell (including related parties) holds 289,017 shares in the company. In addition, Kennet holds 50,000 warrants in the 2020/2023 warrants program and 25,000 warrants in the 2022/2025 warrants program.



Noora Jayasekara

CFO

Born 1978

Nationality: Finnish and Swedish.

Education: Master's degree in Economics, specialization in Financing.

Current engagements: Board member of Doro AB.

Previous engagements/Experience: CFO at Humana AB, Manager and consult at consultancy group EY.

Noora Jayasekara holds 5,000 warrants in the 2022/2025 warrant program.

Group Management, cont.



Tom Hopkins

COO

Born 1962

Nationality: US.

Education: MBA, Benedictine College and BA in Political Science, University of Connecticut.

Current engagements: –

Previous engagements: Executive Director for Raytheon Blackbird Technologies, Inc; commissioned officer (colonel) in the United States Army, with several positions of command in crucial organizations.

Tom Hopkins holds 50,000 warrants in the 2020/2023 option program, 50,000 warrants in the 2021/2024 option program, and 25,000 options in the 2022/2025 employee stock option program.



Daniel Gager

CCO

Born 1971

Nationality: US.

Education: B. Sc. in Science and Technology, Cameron University.

Current engagements: –

Previous engagements: VP Business Development at Comsat; Director of Government Business at Iridium, various positions at SATCOM with the US Department of Defense.

Daniel Gager holds 50,000 warrants in the 2020/2023 option program, 10,000 warrants in the 2021/2024 option program, and 25,000 options in the 2022/2025 employee stock option program.



Pål Ekberg

VP Satellite Operations

Born 1972

Nationality: Swedish.

Education: Political Science and Economics, Lund University.

Current engagements: CEO of OverHorizon LLC.

Previous engagements: VP Sales at Swe-Dish Satellite Systems, consultant at the Swedish Trade Council (Exportrådet) and lieutenant in the Swedish Air Force Reserve.

Pål Ekberg holds 140,000 shares in the company. In addition, Pål holds 50,000 employee stock options in the 2020/2023 option program, 50,000 warrants in the 2021/2024 option program, and 25,000 warrants in the 2022/2025 employee stock option program.



Jim Gerow

Key Accounts Manager

Born 1961

Nationality: US.

Education: Bachelor of Science in Electrical Engineering, University of Connecticut.

Current engagements: –

Previous engagements/Experience: President of Swe-Dish Satellite Systems LLC; Government Program Manager at USSOCOM, Department of the Army (DOA); USSOCEUR, Department of the Navy (DON) at the Naval Air Warfare Center.

Jim Gerow (including related parties) holds 42,254 shares in the company. In addition, Jim holds 50,000 warrants in the 2020/2023 option program, 50,000 warrants in the 2021/2024 option program, and 25,000 options in the 2022/2025 employee stock option program.